



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.ladhs.org

*To improve health
through leadership,
service and education.*



www.ladhs.org

January 16, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 11 TO AGREEMENT NOS. H-205962,
H-205964, H-205965 AND H-205967 FOR OVERFLOW MEDICAL RECORDS
CODING AND ABSTRACTING SERVICES AT VARIOUS DEPARTMENT
OF HEALTH SERVICES FACILITIES
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director, or his designee, to execute four overflow medical records coding and abstracting services agreement amendments with Hospital Employee Labor Pool (H-205962), Ladera Career Paths (H-205964), Associated Record Technical Services, dba, ARTS, Inc. (H-205965) and Jenn International, Inc., dba, Jenn International Personnel Agency (H-205967), on a month-to-month basis, with rates to remain the same, effective February 1, 2007 through January 31, 2008, at a total maximum County cost of \$13,654,692.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The term extension will extend the respective terms of the contracts under the same terms and conditions specified in the existing agreements for the continued provision of overflow medical records coding and abstracting services at Harbor-UCLA Medical Center (Harbor), including Long Beach Comprehensive Health Center (CHC), and Bellflower and Wilmington Health Centers; LAC+USC Medical Center, El Monte, H. Claude Hudson, and Edward R. Roybal CHCs and La Puente and Whittier Health Centers, and Juvenile Court Health Services; Martin Luther King Jr./Drew Medical Center (MLK), including Hubert H. Humphrey CHC; Olive View-UCLA Medical Center (Olive View); and Rancho Los Amigos National Rehabilitation Center (Rancho).

Board approval of the recommended action will ensure the uninterrupted provision of overflow medical records coding and abstracting services at Department of Health Services' (DHS or Department) facilities, and allow time to continue the recruitment process for the newly classified medical record coder items, fill vacancies throughout the Department until needs are met, and conduct a solicitation process authorized under California Government Code Section 31000 as contracted medical records coding and abstracting services will continue to be required on an as-needed temporary basis.

It is critical for the Department to continue to ensure the proper review of records, maintain quality assurance of coding and abstracting, and comply with more stringent State requirements regarding time frames for release of patient records. Failure to address these issues could also result in State and Joint Commission on the Accreditation of Healthcare Organizations' (JCAHO) citations and possible Health Insurance Portability and Accountability Act of 1996 (HIPAA) violations for failing to provide patients with copies of their medical records as required by State and Federal laws.

The four existing agreements are slated to expire on January 31, 2007.

FISCAL IMPACT/FINANCING:

Amendment No. 11 provides a total maximum cost for the twelve month extension of \$13,654,692 for February 1, 2007 through January 31, 2008. The cost breakdown is as follows:

Harbor/UCLA Medical Center	\$ 1,087,869
Long Beach CHC, Bellflower, Wilmington Health Centers	283,209
LAC+USC Medical Center	3,748,000
El Monte, H. Claude Hudson, and Roybal CHCs, La Puente and Whittier Health Centers	1,586,000
Juvenile Court Health Services	67,000
Martin Luther King Jr./Drew Medical Center	3,501,000
Hubert H. Humphrey CHC	735,000
Olive View-UCLA Medical Center	2,221,614
Rancho Los Amigos National Rehabilitation Center	425,000
Total	<u>\$13,654,692</u>

Funding is included in the Department's Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Medical records coding and abstracting services are specialized diagnostic and operative coding and abstracting services, including tumor registry coding and abstracting. Patients' medical records are audited, coded and abstracted in accordance with established numerical coding systems and special hospital coding systems.

Without proper coding of these procedures, DHS would not be reimbursed for various medical procedures.

On June 25, 1996, the Board approved six agreements with six firms to provide medical record coding and abstracting services. On May 5, 1998, the Board approved Amendment No. 1 to add High Desert Health System as a delivery site. Subsequently, Amendment Nos. 2 through 6 were approved by the Board during the period of December 5, 2000 through June 18, 2004, extending the term with no increase to the payment provisions and adding standard language provisions.

Amendment Nos. 7 and 8 were approved by the Board on June 15, 2004 and May 17, 2005, extending the term of the agreements through January 31, 2006 to allow the Department of Human Resources (DHR) time to conclude Union negotiations on the classification study of medical record coders. Amendment No. 9 revised HIPAA provisions.

On December 20, 2005, Amendment No. 10 was approved by the Board for the period of February 1, 2006 through January 31, 2007, extending the term of the agreements to allow time to review workload changes and the potential impact of the medical record classification study being conducted by DHR on the Request for Proposals (RFP) competitive solicitation process which was released in June 2004.

On June 30, 2006, the Department terminated the RFP process because the 180-day firm offer had expired, and the workload data identified in the RFP was no longer current.

Rancho is requesting an increase in funds to cover the scheduled daily average transfer of 32 acute patients from MLK, effective December 2006. By March 2007, Rancho is expecting an average daily increase of an additional 57 acute patients. Olive View anticipates a 22% patient increase. Harbor plans to re-allocate funds in conjunction with MLK as necessary.

The existing Contractors are in compliance with all Board requirements. Contract monitoring functions will continue to be performed by the Medical Records Directors at each medical facility.

Attachment A provides additional information. The attached Amendments (Exhibits I through IV) have been approved as to form by County Counsel.

CONTRACTING PROCESS:

The RFP solicitation was released on June 18, 2004. As a result of a classification study of medical record coders conducted by DHR to revise classification specifications and compensation, the Department determined that the workload data included in the RFP was no longer accurate and cancelled the solicitation.

The classification study was completed in the Spring of 2006, and the Department has begun recruiting to fill the newly classified items.

The Department has previously indicated that future medical coding agreements would be subject to Proposition A. However, it is now the Department's intention to recruit and hire County employees to fulfill the functions over the term of this extension. In doing so, it is DHS' belief that future contracts will only be used to perform overflow or intermittent work. Thus, since the Department has made a determination that the services are for extraordinary professional or technical services, and are of a professional nature, it will conduct a solicitation process in accordance with Government Code Section 31000.

A term extension is needed to continue the hiring process to fill vacancies, and to conduct an RFQ solicitation process with revised workloads for as-needed medical records coding and abstracting services. Amendment No. 11 will extend the term of the agreements an additional twelve months, on a month-to-month basis.

The Honorable Board of Supervisors
January 16, 2007
Page 4

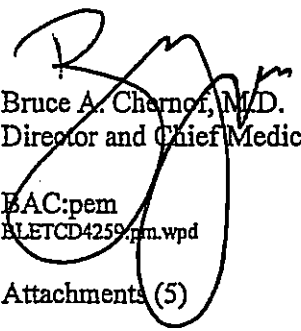
It is not appropriate to advertise amendments to agreements on the Los Angeles County Web Site as a business opportunity.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The recommended amendments will ensure the continued provision of necessary medical records coding and abstracting services at DHS facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Cherno, M.D.
Director and Chief Medical Director

BAC:pem
BLETCD4259.pcm.wpd

Attachments (5)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT AMENDMENTS

1. TYPE OF SERVICE:

Overflow medical records coding and abstracting services at DHS' facilities.

2. AGENCY ADDRESSES AND CONTACT PERSONS:

Agreement No. H-205962
Hospital Employee Labor Pool
5400 Orange Avenue, Suite 200
Cypress, California 90630
Attention: Teri Carter
Telephone: (714) 243-3510
Facsimile: (714) 243-3505

Agreement No. H-205964
Ladera Career Paths
6820 La Tijera Blvd., Suite 217
Los Angeles, California 90045
Attention: Anna Little
Telephone: (310) 568-0244
Facsimile: (310) 568-8202

Agreement No. H-205965
Associated Record Technical Services
dba ARTS, Inc.
600 Corporate Pointe, Suite 1150
Culver City, California 90230
Attention: Nzingha Asantewa Ali
Telephone: (310) 641-7446
Facsimile: (310) 641-1208

Agreement No. H-205967
Jenn International, Inc.,
dba Jenn International Personnel Agency
3250 Wilshire Blvd., Suite 926
Los Angeles, California 90010
Attention: Jennifer Oracion
Telephone: (213) 388-1688
Facsimile: (213) 388-9685

3. TERM:

Amendment No. 11 provides a twelve month extension from February 1, 2007 through January 31, 2008.

4. FINANCIAL INFORMATION:

Amendment No. 11 provides a total maximum cost for the twelve month extension of \$13,654,692 for February 1, 2007 through January 31, 2008. The cost breakdown is as follows:

<u>DHS Facility</u>	<u>2/1/07 - 1/31/08</u>
Harbor/UCLA Medical Center	\$ 1,087,869
Long Beach CHC, Bellflower, Wilmington Health Centers	283,209
LAC+USC Medical Center	3,748,000
El Monte, H. Claude Hudson, and Roybal CHCs, La Puente and Whittier Health Centers	1,586,000
Juvenile Court Health Services	67,000
Martin Luther King Jr./Drew Medical Center	3,501,000
Hubert H. Humphrey CHC	735,000
Olive View-UCLA Medical Center	2,221,614
Rancho Los Amigos National Rehabilitation Center	425,000
Total	<u>\$13,654,692</u>

Funding is included in the Department's FY 2006-07 Final Budget and will be requested in future fiscal years.

5. ACCOUNTABLE FOR MONITORING:

Medical Records Directors at each facility.

6. APPROVALS:

Department of Health Services:

Fred Leaf, Chief of Operations

Contract Administration:

Cara O'Neill, Chief

County Counsel:

Christina A. Salseda, Deputy County Counsel

FACT SHEET

RE: APPROVAL OF AMENDMENT NO. 11 TO AGREEMENT NOS. H-205962, H-205964, H-205965 AND H-205967 FOR OVERFLOW MEDICAL RECORDS CODING AND ABSTRACTING SERVICES AT VARIOUS DEPARTMENT OF HEALTH SERVICES FACILITIES

All Districts

CONTACT PERSONS:

Coastal Network
Harbor-UCLA Medical Center
Tecla Mickoseff, CEO
(310) 222-2101
tmickoseff@ladhs.org

Miguel De Los Reyes, Contract Liaison
(310) 222-1678
mireyes@ladhs.org

Southwest Network
Martin Luther King, Jr./Drew Medical Center
Antionette Smith Epps, CEO
(310) 668-5201
asmithepps@ladhs.org

Elham Ganjian, Contract Liaison
(310) 885-4250
eganjian@ladhs.org

Rancho Los Amigos National Rehabilitation Center
Valerie Orange, CEO
(562) 401-7022
vorange@ladhs.org

Rocio Calderon, Contract Liaison
(562) 401-7362
rfdcalderon@ladhs.org

LAC+USC Healthcare Network
LAC+USC Medical Center
Pete Delgado, CEO
(323) 226-2800
pdelgado@ladhs.org

Mark Wycislak, Contract Liaison
(323) 226-2400
mwycislak@lacusc.org

Valleycare Network
Olive View-UCLA Medical Center
Melinda Anderson, CEO
(818) 364-3001
manderson@ladhs.org

Dexter Moon, Contract Liaison
(818) 364-3418
dmoon@ladhs.org

SUBJECT:

The Director of Health Services ("Director") is requesting the Board to approve four amendments to Agreement Nos. H-205962, H-205964, H-205965 and H-205967 for the continued provision of overflow medical records coding and abstracting services slated to expire on January 31, 2007. A term extension is needed to continue recruitment for the newly classified medical record coder items to fill vacancies throughout the Department of Health Services ("DHS" or "Department") until needs are met, and conduct a solicitation process authorized under California Government Code Section 31000 as contracted medical records coding and abstracting services will continue to be required on an as-needed temporary basis.

FACT SHEET (Cont'd)

The Department terminated the Request for Proposals ("RFP") solicitation process released on June 18, 2004 because the 180-day firm offer had expired, and the workload data identified in the RFP was no longer current. In addition, the Department has made a determination that the services are for extraordinary professional or technical services and will continue to be needed on an as-needed temporary basis. Therefore, the Department plans to conduct a Request for Qualifications ("RFQ") solicitation process authorized under California Code Section 31000.

REQUESTED ACTION:

Approve and instruct the Director, or his designee, to execute four medical records coding and abstracting services amendments with Hospital Employee Labor Pool (H-205962), Ladera Career Paths (H-205964), Associated Record Technical Services, dba, ARTS Inc. (H-205965), and Jenn International, Inc., dba, Jenn International Personnel Agency (H-205967), extending the term an additional twelve months, on a month-to-month basis, for the continued provision of overflow medical records coding and abstracting services at DHS' facilities (Harbor-UCLA Medical Center and Long Beach Comprehensive Health Center (CHC), and Bellflower and Wilmington Health Centers; LAC+USC Medical Center, El Monte, H. Claude Hudson and Edward R. Roybal CHCs, La Puente and Whittier Health Centers, and Juvenile Court Health Services; Martin Luther King Jr./Drew Medical Center, and Hubert H. Humphrey CHC; Olive View-UCLA Medical Center; and Rancho Los Amigos National Rehabilitation Center) with rates to remain the same, effective February 1, 2007 through January 31, 2008, at a total estimated net County cost of \$13,654,692.

PROGRAM:

Medical records coding and abstracting services are specialized diagnostic and operative coding and abstracting services, including tumor registry coding and abstracting. Patients' medical records are audited, coded and abstracted in accordance with established numerical coding systems and special hospital coding systems.

CONTRACT AMOUNTS:

The total maximum cost for the twelve month extension is \$13,654,692 for the period effective February 1, 2007 through January 31, 2008. Funding is included in the Department's Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

TERMINATION PROVISION:

The existing agreements contain provisions for termination with or without cause, upon a 30-day written notice by the County and 60-day written notice by the Contractor.

TERM OF CONTRACTS:

The term of the amendments is effective February 1, 2007 through January 31, 2008.

AUTOMATIC RENEWAL:

Not applicable.

FIRST BOARD APPROVAL:

June 25, 1996.

CONTRACT EXPIRATION:

The four existing agreements will expire on January 31, 2007.

FACT SHEET (Cont'd)

RETROACTIVE AGREEMENTS:

No.

CONTRACTING PROCESS:

The Department plans to conduct a RFQ for contract overflow medical records coding and abstracting services at DHS' Medical Centers, authorized under California Government Code Section 31000.

SOLE SOURCE JUSTIFICATION:

Not Applicable.

LOS ANGELES COUNTY ONLINE WEB SITE:

Not Applicable.

BLETCD4259.pm.wpd